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TO RUEHC/SECSTATE WASHDC PRIORITY 6688  
INFO RUEHRG/AMCONSUL RECIFE 5461  
RUEHSO/AMCONSUL SAO PAULO 8064  
RUEHRI/AMCONSUL RIO DE JANEIRO 2893  
RUEHAC/AMEMBASSY ASUNCION 5671  
RUEHBO/AMEMBASSY BOGOTA 3931  
RUEHBU/AMEMBASSY BUENOS AIRES 4276  
RUEHCV/AMEMBASSY CARACAS 3435  
RUEHLP/AMEMBASSY LA PAZ 4878  
RUEHPE/AMEMBASSY LIMA 3171  
RUEHMN/AMEMBASSY MONTEVIDEO 6472  
RUEHQT/AMEMBASSY QUITO 1971  
RUEHSG/AMEMBASSY SANTIAGO 5788  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RHEBAAA/USDOE WASHDC  
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SUBJECT: BRAZIL: AMBASSADOR FURTHER DISCUSSES BIOFUELS WITH DILMA ROUSSEFF

REF: (A) BRASILIA 1784, (B) BRASILIA 1934

11. (SBU) Summary: Ambassador Sobel, accompanied by PolCouns and Special Assistant, met with President Lula's Chief of Staff, Minister Dilma Rousseff, on September 12 to discuss biofuels issues. Rousseff said the U.S. and Brazil need to move quickly on biofuels, but first must work through their bilateral policy relationship before going forward with cooperation in third countries or determining which resources may be tapped to put the policy into action. Minister Rousseff expressed great interest in meeting with interlocutors on biofuels (and other issues) while in New York the week of September 18 and on a future trip to Washington before the end of the year. See action request para 7. End Summary.

12. (SBU) On September 12, the Ambassador met again with President Lula's Chief of Staff, Dilma Rousseff, to discuss biofuels issues. (Previous meeting reported Ref A.) The Ambassador reported that his meetings in the U.S. on biofuels focused on how to expand the opportunity of biofuels development to third countries. He reiterated the complexity of the USG interagency process, but expressed our interest in still moving forward quickly. Dilma Rousseff again expressed a strong interest in cooperating with the USG. She followed-up by saying that for the last three months the GOB has been attempting to "put its house in order" for both internal coordination (within the many GOB ministries with a hand in the pot, Petrobras, environmental considerations, research institutions and the private sector) and their existing commitments and agreements with third countries.

13. (U) Rousseff indicated that cooperation with the USG would also require coordinating our existing agreements, MOUs, or other consultative mechanisms. She specifically cited the NIST/INMETRO (US National Institute of Standards and Technology and Brazilian National Institute of Metrology, Standardization and Industrial Quality) technical meetings in Rio September 17-22 on ethanol standards, the GOB's history of cooperation with DOE's National Renewable Energy Laboratory (NREL), and existing (but unspecified) arrangements with the USDA. Rousseff said that, given the number of areas in which we are already cooperating on biofuels (directly or indirectly), that we should tap this "creativity" into a more productive relationship. As one specific example, she said she anticipates, like the Brazilians' ability to develop soy crops that

were well adapted to Brazilian lands, that the development of seed varieties is one additional area to pursue.

¶4. (SBU) Rousseff agrees on the need to hurry the process along and emphasized that now is "the right moment to capitalize" on the collective experience of the U.S. and Brazil in this area. She insisted, however, that the USG and GOB must iron out their bilateral policy first before proceeding with any discussions regarding cooperation in third countries or which external resources could be tapped to assist with implementation. She was also frank in admitting that progress would be slow for the next few weeks given the upcoming elections, but that (unlike other ministers) she was still focused specifically on the current government's agenda items. Rousseff is proud of what Brazil has accomplished in their "20 years" of experience and research in biofuels, and (as reported in Ref B), is driving the GOB train.

¶5. (U) Rousseff is very interested in meeting with USG and private sector interlocutors on biofuels and other issues, and expressed great interest in the Ambassador's offer to assist in scheduling such meetings. Rousseff plans to be in New York September 19-22, and is considering a trip to Washington in the November/December timeframe.

¶6. (U) Comment. Embassy Brazil is coordinating the appropriate meetings with Washington. Subsequent to the Ambassador's meeting, Rousseff was scheduled to meet with U/S Josette Sheenan while they are both in New York this week. End Comment.

¶7. (SBU) Action Request: The Brazilians are interested in learning more about how we can work together, and Mission Brazil requests permission to release at the earliest opportunity the seven country

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"Latin America and Biofuels Strategy" (currently being coordinated in S/P at the Department) to Rousseff and our other Brazilian interlocutors.

CHICOLA